

Tips on Building a Franchising Empire

How to make the leap from one outlet to many

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By NEIL PARMAR
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How does a franchisee get bigger?

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These days, many franchisers favor owners who already run multiple locations, giving them preferential treatment when selling existing stores or awarding new locations. But most franchisees—about 80%—own just one unit. So what's the best way for them to go from small-time ownership to the kind of franchise empire that chains look for?

Experts and big owners say there are several strategies that can help franchisees make the leap—but they involve a lot of work. Among other things, owners must revamp

how they manage their business and aim to deliver consistently top-shelf performance in numerous areas.

Here's some of their best advice.

Manage the Managers

Most owners who successfully expand the number of units they own figure out that they can't oversee every store themselves. They need a strong layer of management in place in their individual cafés, floral shops or whatever type of business they own.

The Scale of Ownership

A breakdown of franchisees by the number of units they own

No. of units owned	Franchisees	Total Units
1	157,396	157,396
2-4	30,818	75,676
5-9	5,920	37,490
10-19	2,063	26,939
20-49	841	24,323
50-99	188	12,530
100-499	81	14,731
500+	5	4,018

The Wall Street Journal

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The realization usually comes when owners have around three to six stores. At that point, they often discover that they're wasting time and money rushing between different locations to check up on employees. Once they figure out how to set up a trustworthy management team, scaling with new businesses becomes easier.

But some owners can never take the leap of faith and trust others to run the show while they're away. Or they're such micromanagers that the stores rely on them being around to deliver strong performance. **These owners "need to really ask themselves if they are equipped to manage from afar," says Richard**

Sharoff, a longtime franchisee and executive vice president for franchising at restaurant chain Amsterdam Falafelshop.

But knowing how to scale up isn't enough. Owners must earn top marks from their chain in areas like customer service—and do it consistently.